

# The Presbyterian Church

## Property Trustees



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## The Trustees' year in review

Like many parishes, the Church Property Trustees have recently held their Annual Meeting. This was an opportunity to reflect on what has been achieved during the past year.

Parish contact with the Trustees is most common in relation to church property matters, or the Presbyterian Investment Fund, but the Trustees are also responsible for the Beneficiary Fund and numerous trusts, including Glen Innis Station (the McNutt Trust) and Flaxburn dairy farm (Estate C A Clark.)

Many know Glen Innis Station, in rural Hawkes Bay, as a provider of free holiday accommodation for ministers, but it is also a working sheep and cattle farm. After several years of adverse conditions, the Glen Innis farming operation has enjoyed a marked improvement in profitability. During the past year, 41 ministers and their families stayed at Glen Innis.

Flaxburn, a dairy farm in southern Wairarapa, again had an excellent year. The bulk of the net farm surplus goes to the Church, with three quarters of this tagged for overseas mission. The Trustees gave the Church a total of \$125,000 from the 2010/11 surplus.

The Trustees also administer other trusts from which grants are made for specific purposes. Grants for social service work were made last year to each of

the seven Presbyterian Support regional organisations.

The Presbyterian Investment Fund, administered by the Trustees, has continued to generate good earnings, with a total of \$5.5 million paid in interest last year. Some 290 parishes have PIF accounts, and parish funds make up 61% of the \$112 million fund total. The remainder is largely General Assembly or Trust funds.

Beneficiary Fund investments weathered the Global Financial Crisis well, and the Fund continues to be well served by professional managers. The audited accounts for the Presbyterian Investment Fund and the Beneficiary Fund will shortly be available on the Presbyterian website.

The number of Beneficiary Fund members is stable at 274, and the number of

annuitants dropped slightly during the past year, from 450 to 441. The Beneficiary Fund Committee deals with ministers' membership and also offers grants for ministers in hardship or who have special needs. Special grants totalling \$39,262 were made to 20 members during the past year. The Trustees also administer a personal loan scheme for ministers.

At the Trustees' 2011 Annual Meeting, Dr John Kernohan, of Auckland, was elected Chair, and the new Deputy Chair is Mr Paul Westbury, of Wellington.

### P.I.F. interest rates

The interest rate paid in the Presbyterian Investment Fund remains at  
**5.25 %**

The Trustees review this rate each month, and the current rate is advertised in the Church Property Trustees section of [www.presbyterian.org.nz](http://www.presbyterian.org.nz)

Interest is credited to accounts quarterly.

Funds are available on call, though advance notice is required for withdrawals over \$250,000.

The PIF is open to parishes and other Presbyterian organisations, but not to individuals.

## Insurance challenges

**The Christchurch earthquakes have had a huge impact on church insurance premiums, and the Trustees are very aware of the financial implications for parishes. Boards of Managers are required to have adequate insurance cover on parish property, but just what that means will now have to be re-evaluated, particularly for earthquake cover.**

The Trustees have been working with the wider Church, and the Presbyterian Insurance Group, in coming to grips with what has been a stressful and complex insurance renewal process, and in responding to what is a constantly changing situation. The Council of Assembly has now established an Insurance Review Task Group to give leadership on the Church's insurance requirements. The Trustees have two representatives on the task group.

### Trustee retirements

At their Annual Meeting, held on 29th September, the Trustees accepted with deep regret the resignations of two long-standing trustees: Bob McCay, of Wellington, and Mac Welsh, of Christchurch.

Bob served as a trustee for more than 20 years, and Mac for some 15 years. The experience and wisdom both brought to the Investment Committee, in particular, will be greatly missed.

### The Property Handbook

has proved a useful resource for church councils who are not familiar with the approvals process for church property projects or transactions.

The handbook covers what to do when buying, selling, building, extending or leasing a property. It also includes borrowing, lottery grant applications and the use of capital funds. Hard copies are still available from the Trustees' Office, and it is also on the Presbyterian website.

A supplement on insurance will be available in the new year.

### who to contact

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